

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 710

Washington, D. C.

September 3, 1938

PRICE FIXING CHARGED

Trade Commission Issues Complaints Against Six Trade Associations

Two complaints have been issued by the Federal Trade Commission charging six trade associations, and their member manufacturers, with fixing and maintaining uniform prices for their products. The complaints were issued against the United States Maltsters Association of Chicago and its 19 member manufacturers, and against five trade associations and their member manufacturers who produce veneer containers used in packaging fruits and vegetables.

The malt manufacturers, the complaint alleges, produce more than 65 per cent of all the malt manufactured in the United States, and constitute the only regular source of supply for many purchasers. The complaint charges that in 1930, for the purpose of eliminating price competition among themselves, the respondent manufacturers of malt, through the agency of their association, entered into their price-fixing conspiracy, and since that time, by agreement, have fixed and maintained uniform delivered prices in the sale of malt.

For the purpose of making their program effective, each respondent manufacturer, the complaint charges, agrees to file and does file a schedule of prices and terms of sale with the Association and further agrees not to deviate from the schedule so filed. The Association, it is alleged, collects from and disseminates among its member manufacturers information as to prices and terms of sale and other data useful in effectuating the purposes of the respondents' program.

The veneer-container manufacturers, who are members of the five trade associations charged by the Commission, allegedly make about 90 per cent of all the veneer containers produced east of the Rocky Mountains. The associations named are: American Veneer Package Association, Inc., Washington; Eastern Package Association, Philadelphia; Southern Package Association, Inc., Charlotte, N. C.; North-eastern Veneer Package Association, Rochester, N. Y.; and Midwest Package Association, Indianapolis.

Two Chicago firms, The Stevenson Corporation and Stevenson, Jordan & Harrison, engaged in business management and business engineering, also are named respondents.

In 1935 some of the respondents, and in 1937 all of them, allegedly entered into agreements and understandings for the purpose and with the effect of eliminating competition and of creating a monopoly in the sale of veneer containers. The complaint charges that, pursuant to their agreements, the respondent manufacturers, with the active cooperation of the other respondents, have engaged in the following practices in furthering their price-fixing program:

(1) Fixed and maintained uniform prices, terms and conditions in the sale of veneer containers; (2) exchanged, through the medium of their trade associations, price lists in

order to establish the prices at which their products were to be sold; (3) established a system of zones throughout the United States to aid in the fixing of prices, and cooperated in maintaining the various prices determined for particular zones; (4) compiled and distributed lists of recognized dealers for the purpose of exclusively confining the sale and distribution of veneer containers to or through the medium of such recognized dealers; and (5) curtailed the production of their products.

According to the complaint, the respondent trade associations distribute among their members and non-members participating in their price-fixing program, lists containing current prices, terms and conditions of sale, the names of dealers who are to be granted special discounts, and other information useful in making the undertaking effective.

W. G. Meal Succeeds Wells A. Sherman

William G. Meal succeeds Wells A. Sherman as head of the Division of Fruits and Vegetables in the Bureau of Agricultural Economics, it was announced August 30. Mr. Sherman retired July 31, after having been in charge of fruit and vegetable marketing and regulatory work of the Department for nearly 25 years. During the past three years Mr. Meal has been assistant chief of the General Crops Section in the Agricultural Adjustment Administration. For two years before that he was in charge of the Section's work relating to fresh fruits and vegetables.

Personnel Changes Made in Food-Drug Bureau

Added duties under the recently enacted Federal Food, Drug, and Cosmetic Act have made necessary a number of changes in the personnel of the Food and Drug Administration. W. G. Campbell, chief of the bureau, announced this week. Extensive additions to the personnel will be deferred. Mr. Campbell said, until the new law goes into effect in its entirety on June 25, 1939.

Changes announced are: Joseph Callaway, Jr., now chief chemist of the Eastern Food and Drug Inspection with headquarters at New York, is transferred to Washington as senior chemist to serve as technical assistant and secretary of the reorganized Food Standards Committee; Roy S. Pruitt, now chief chemist of the New Orleans Food and Drug Inspection Station, will be transferred to Washington to handle administrative details of the new cosmetic section of the law; Dan Dahle, at present associate chemist in the Food Division, has been assigned to develop laboratory methods for analysis of cosmetics; Dr. J. J. Durrett, now chief of the Drug Division, becomes principal technical adviser; and Dr. Theodore G. Klumpp, now senior medical officer of the Drug Division, succeeds Dr. Durrett as chief of that division.

The Food Standards Committee is composed of four State food law enforcement officials, and two members of the Food

and Drug Administration. This committee will consider data on the authentic composition of food materials and formulate standards of identity and reasonable standards of quality and fill of container for various foods.

Hearing Scheduled on Peach Program

Public hearing on a proposed marketing agreement and order program to regulate handling of Georgia peaches in interstate commerce will be held September 15, at Macon, the Agricultural Adjustment Administration announced August 29.

The proposed program differs from the usual marketing agreement program in that it provides that all peaches for interstate shipment conform to the maturity standard defined in U. S. grading regulations. Another major provision makes optional the use of grade and size limitation regulations, according to the variety of peaches, when market conditions warrant.

1938 CANNED PEA PACK

Preliminary Report Compiled by Association Puts Production at 25,039,025 Cases

The canned pea pack in 1938, according to a preliminary report compiled by the Association's Division of Statistics, was 25,039,025 cases. The report is based on figures from all but seven canners, whose packs have been estimated and included. Two of these canners had not completed their packs. Statistics for Wisconsin were supplied by the Wisconsin Canners Association. The following table shows the pack by varieties, regions, and grades:

	Alaskas Cases	Sweets Cases	Total Cases
Northeast:			
Fancy.....	186,990	1,591,217	1,778,207
Extra Standard.....	71,393	506,237	577,630
Standard.....	24,275	205,907	230,182
Total.....	282,658	2,303,361	2,586,019
Middle Atlantic:			
Fancy.....	125,594	154,007	279,601
Extra Standard.....	473,285	211,450	684,735
Standard.....	1,501,194	97,090	1,598,284
Total.....	2,100,073	462,547	2,562,620
Mid-West:			
Fancy.....	1,683,584	2,804,530	4,488,114
Extra Standard.....	2,413,768	1,561,251	3,975,019
Standard.....	2,902,560	941,461	3,844,021
Sub-Standard.....	4,737	2,602	7,339
Not graded.....	854,210	605,622	1,459,832
Total.....	7,858,859	5,915,466	13,774,325
West:			
Fancy.....	90,531	2,889,698	2,980,229
Extra Standard.....	34,986	1,119,239	1,154,225
Standard.....	33,533	930,762	964,295
Not graded.....		1,117,312	1,117,312
Total.....	159,050	5,957,011	6,116,061
Grand total.....	10,400,640	14,638,385	25,039,025

In this table, and in the one below, States included in these regions are: Northeast.—New York and Maine. Middle Atlantic.—Maryland, Pennsylvania, Delaware, Virginia, and

New Jersey. Midwest.—Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Nebraska, Kansas, Oklahoma, Texas, and Arkansas. West.—Utah, Washington, Montana, Idaho, Wyoming, Colorado, and California.

As this is the first year that the pack has been reported by grades, comparative figures are not available for earlier years. The following table, however, shows the pack of 1938 by grades as compared with the stocks on October 1, 1937, by grades:

	1938 pack Per cent	Oct. 1, 1937 stocks Per cent
Northeast:		
Fancy.....	68.7	60.5
Extra Standard.....	22.3	28.8
Standard.....	9.0	10.7
Middle Atlantic:		
Fancy.....	10.9	6.3
Extra Standard.....	26.7	27.7
Standard.....	62.4	66.0
Mid-West:		
Fancy.....	36.4	27.6
Extra Standard.....	32.2	32.9
Standard.....	31.2	39.5
Sub-Standard.....	.2
West:		
Fancy.....	58.4	57.4
Extra Standard.....	22.6	25.1
Standard.....	19.0	17.5

In the Midwest, about one-tenth of the pack had not been graded up to the time this report was issued. Consequently, the percentages shown above for the Midwest cover only nine-tenths of the total pack.

FSCC to Buy West Coast Pears

Purchase of surplus Bartlett pears in California, Washington, and Oregon, by the Federal Surplus Commodities Corporation has been authorized, according to announcement August 30. The pears are to be bought between now and October 31, 1938.

PRICE DISCRIMINATION CHARGED

Federal Trade Commission Alleges Eight Tile Manufacturers Violate Act

Eight complaints have been issued by the Federal Trade Commission charging certain manufacturers of tile with violation of the Robinson-Patman Act by discriminating in price between different purchasers of tile of like grades and qualities. Containing substantially the same allegations, the complaints charge that the respondent companies, in the sale of tile, allow discounts, varying from 5 to 15 per cent, to certain of their customers designated as wholesalers, which discounts are denied to certain other of their customers designated as contractors.

The complaints allege that the designated wholesalers are in fact retailers in that they sell directly or indirectly to the ultimate consumer and thereby are in direct competition with the contractors in the sale of tile.

Three of the companies, it is alleged, also discriminate in price between different contractors by giving to some varying discounts that are not granted to others.

July British Imports of Canned Fruits Decrease

Arrivals of canned fruits at principal ports in the United Kingdom during the 4 weeks ended July 30, 1938, totaled 726,900 cases, compared with 965,300 in the 4 preceding weeks, and 812,000 in the corresponding period of 1937, according to the Imperial Economic Committee at London.

Compared with the preceding month, all varieties with the exception of pineapples and berries were received in much smaller quantities. Compared with a year ago, receipts of apples, apricots, grapefruit, and oranges were appreciably heavier, but the increased quantities of these varieties were insufficient to offset marked declines in the entries of nearly all other fruits.

During the first 6 months of 1938, imports of six major canned fruits were somewhat larger in most cases than during first 6 months of 1937, but compared with corresponding 1936 period were smaller for all items except apricots. Imports of six minor canned fruits were considerably smaller this year than during the first 6 months of 1937. The following table, in which figures are given in hundredweights of 112 pounds, gives comparison of the six major fruit import items:

Canned Fruits	January through June		
	1936	1937	1938
	Cwt.	Cwt.	Cwt.
Apricots.....	110,268	61,114	119,698
Peaches.....	408,234	257,975	303,897
Pears.....	408,767	378,578	398,628
Pineapples.....	505,005	506,667	500,273
Fruit salad.....	120,063	133,451	119,590
Grapefruit.....	135,835	205,975	224,962

Imports of six minor canned fruit items during the first 6 months of 1938, with figures for corresponding 6 months of 1937 in parentheses, were as follows: currants and berries 10,484 (15,202), plums 668 (1,481), apples 24,468 (31,278), stoned cherries 392 (1,358), oranges 188,106 (1937 not shown), and "other sorts" 26,232 (176,145). All figures are in hundredweights of 112 pounds.

Foods Editor Calls Alaska a "Canner's Paradise"

"Alaska certainly is a canner's paradise," the foods editor of an American women's magazine wrote this week to the Home Economics Division in telling of her recent trip there. "I saw only the best quality of canned things on the grocery shelves and certainly the food which was served to me in homes there was of top-notch quality. Since I was visiting in the home of a friend, I was an interested observer of the food habits as compared to ours in the States.

"At a perfectly lovely dinner served to 14 guests at a friend's home, she used 4 cans of tangerine oranges and grapefruit for the minted fruit cup, 3 cans of baby green beans and one of mushrooms for the beans with mushroom sauce, 2 cans of beets in the molded salad, 2 cans of evaporated milk used in cooking, a can of crushed pineapple in the refrigerator ice cream and 2 cans of olives, one black ripe and one green ripe. I think they need better can openers, however.

"Stores carried a stock of food which was surprisingly high class, at least to a person who expected to see whales and Eskimos, of which I saw neither. I came away with the im-

pression that Alaskans live extraordinarily well, and that for a great deal of their food they are grateful to tin cans."

Refrigerating Engineers to Hold Food Conference

A food conference, sponsored jointly by the University of Tennessee and the American Society of Refrigerating Engineers, will be held at the University of Tennessee, Knoxville, October 20 and 21. J. Mack Tucker of the Tennessee Valley Authority will be in charge. At this conference, there will be discussion of a wide variety of current problems of the food industries, including quick freezing, marketing of frozen foods, enzymes, vitamins in frozen foods, and control of bacteria with light. Speakers at the conference will include Dr. L. V. Burton, Editor of *Food Industries*, and G. A. Fitzgerald of the General Foods Corporation.

Keith Setser Dies in Milwaukee

Keith Setser, general manager and vice-president of the Brownsville, Reeseville, and Hutisford canning companies in Wisconsin, died in Milwaukee at noon Wednesday, August 24, following a stroke on Tuesday night. Funeral service was held Saturday from the residence at Brownsville. Mr. Setser was 55 years old.

Canned Foods Buying Information Broadcast

Miss Ruth Atwater of the Home Economic Division was guest speaker Friday of the Women's Club of the Air, broadcast over Station WCAU, Philadelphia. Her talk was in the form of a 10-minute interview with Miss Elsie Carol, director, titled "Know Your Canned Foods." Inasmuch as Miss Carol is having a series of talks on buying, Miss Atwater's interview gave buying information on canned foods.

Boston Conference on Distribution

The tenth Boston Conference on Distribution is scheduled for September 25 and 27. This national forum for problems of distribution is sponsored by the Retail Trade Board of the Boston Chamber of Commerce in cooperation with 67 universities and trade associations. A good portion of the program will be devoted to world aspects of distribution. The conference is open to all. Registration may be filed with Daniel Bloomfield, Director, 80 Federal Street, Boston.

Additional Butter Purchases Made

Authority has been given Federal Surplus Commodities Corporation to purchase 10,000,000 pounds of butter from the Dairy Products Marketing Association, it was announced September 1. The Association has bought about 70,000,000 pounds of butter since June 16, which represent more than a third of current storage stocks.

Purchases are made with funds totalling \$21,725,000 loaned the Association by the Commodity Credit Corporation for buying up to 75,000,000 pounds of butter. The Association stores the butter, and may sell to the Federal Government or on the open market.

Japanese Canned Salmon Exports Show Gain

Exports of canned salmon from Japan during the first six months of 1938 totaled 465,117 cases to record a gain of 9,880 cases, or 2.2 per cent, compared with shipments during the corresponding period of 1937, according to the American commercial attache at Tokyo. The increase was due primarily to increased shipments to Oceania, which amounted to 53,618 cases during the first half, a gain of 119 per cent over the corresponding period a year ago.

Salmon exports to North America during the first six months of this year amounted to only 160 cases, a decline of 9,939 cases, or 98.4 per cent, compared with the first half of 1937.

Tomato Juice Imports into United Kingdom

Arrivals of canned tomato juice at the principal British ports during the 4 weeks ended July 30, 1938, amounted to 7,057 cases, according to a report of the Imperial Economic Committee at London. This compares with 5,542 cases for the preceding 4 weeks, and 12,985 for the 4 weeks ended July 31, 1937. Canada supplied 4,648 cases, and the United States 2,409.

Imports of tomato juice into the United Kingdom during the first 7 months of 1938 totaled 29,668 cases, of which Canada supplied 16,811, the U. S. 10,942, and other countries 1,915.

National Safety Congress Meets in October

National Safety Council and Exposition will celebrate its Silver Jubilee at Chicago from October 10 to 14. Demonstrations in the prevention of industrial accidents, discussions of methods of protection, and addresses on health subjects will feature 125 separate meetings. The Food Section of the Congress will hold its meetings on Tuesday and Thursday afternoons, October 12 and 14. W. B. White, chief of the food division of the Food and Drug Administration, will speak Thursday afternoon on the subject, "Getting Food Products Safely to the Consumer."

Demand Encourages Taiwan Pineapple Production

Demand for canned pineapples by the Japanese army in China has resulted in a shortage of the canned fruit, and in an effort to improve the quality and increase the production of pineapples grown in Taiwan (Formosa), according to a report from the American consulate at Taihoku. Moreover, the development of the markets in Manchukuo and North China gives possibility of larger consumption.

The Government General of Taiwan has announced the adoption of a plan by which inferior and defective plants will be replaced during the next five years. It is hoped to increase the pack of canned pineapples from the present 1,300,000 cases to over 2,000,000 cases by 1942.

The organization of the Taiwan pineapple canning industry was reported in the INFORMATION LETTER for June 1, 1935, and March 21, 1936.

AAA 1937-38 Expenditures Total \$333,352,382

Payments to farmers in all parts of the country under the 1937 Agricultural Conservation Program, together with county, State and national administrative costs, up to July 1, 1938, totaled \$333,352,382, according to recent announcement of the Agricultural Adjustment Administration. Out of this sum, payments to farmers, including county expenses, totaled \$315,569,403. As of June 30, 1938, there was a total of \$32,268,111 in unpaid obligations, and \$283,301,292 had been actually paid to farmers. State office expenses from July 1, 1937, to July 1, 1938, amounted to \$10,835,701. The Washington administrative expense was \$5,087,946. Other offices of the Department of Agriculture were allocated \$1,013,832, and \$835,500 was transferred to the General Accounting Office and the Treasury.

FSCC Buys 67 Cars of Dry Skim Milk

Purchase of 67 cars, or 2,681,340 pounds, of roller-process dry skim milk by the Federal Surplus Commodities Corporation was announced August 31. This milk powder cost \$118.262.61 and represents about 13,912,000 quarts of fluid skim milk. Bids have been asked on 6,000,000 pounds of skim milk powder.

Potato Growers Apparently Vote Down Program

Vote in recent referendum on a proposed potato marketing agreement program, based on ballots from 492 out of 551 counties in 15 States, is 1.5 per cent less than the two-thirds favorable percentage required, and the program apparently will not be put into effect.

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